

AR84

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 330.
FILED, AUGUST 19th. 1966.

J. J. G.

MOUNT WRIGHT IRON MINES COMPANY LIMITED

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No. 1458 dated June 21, 1966.

| | |
|--|---|
| Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed. | Proposed acquisition of thirty (30) unpatented mining claims in Lapotadiere Township, Gaspe Mining Area, Quebec - see Item 11. |
| 3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors. | A special resolution passed by the Board of Directors on 13th June, 1966, reducing the number of directors of the Company from seven to five was confirmed at a general meeting of shareholders held on 25th July, 1966. The present directors of the Company are as shown in Item #3 of Filing Statement #1458. |
| 4. Share capitalization showing authorized and issued and outstanding capital. | Authorized : 5,000,000 Issued : 3,970,000 |
| 6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement. | Pursuant to the Agreement between the Company and W.D.Latimer Co.Limited referred to in item 6 of Filing Statement No.1458 there remains under option 200,000 shares at 40¢ per share exercisable on or before 6th October, 1966. |
| 9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any. | The Company intends to carry out the recommendations contained in the report of J.C. Shaw dated 9th August, 1966, in relation to the Lapotadiere Township claims consisting of line cutting, mapping, surveys and diamond drilling, if warranted. The total cost of the recommended program is estimated at \$31,500.00. |
| 11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid. | Subject to acceptance for filing of this Amending Filing Statement the Company has agreed to purchase from Michael K. Duggan, 5605 Andre Street, Pierrefonds, Quebec, thirty (30) unpatented mining claims situate in Lapotadiere Township, Gaspe Mining Area, Quebec, described as follows: Claims 1 to 5 inclusive referred to in each of the six Prospector's Licences bearing numbers 257547 to 257552 inclusive. The consideration is the sum of \$7,500.00 and the allotment and issue of 75,000 shares in the capital of the Company free of escrow. |
| 12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company. | The signatories hereto are advised that no one has received, or is to receive, a greater than 5% interest in the vendor consideration. |

FINANCIAL STATEMENT

FISHER, NISKER & COMPANY

MOUNT WRIGHT IRON MINES COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD JUNE 1, 1966 TO JULY 31, 1966

(Prepared from the books of account without audit)

Source of funds

| | |
|--|---------------------|
| Proceeds from sale of 400,000 shares of capital stock | \$130,000.00 |
| Issue of 100,000 shares of capital stock in settlement of advance from director | <u>39,500.00</u> |
| | <u>\$169,500.00</u> |

Application of funds

Exploration expenditures

| | |
|--------------------------------|---------------|
| Rental payment on mining lease | \$ 6,250.00 |
| Assays | 480.00 |
| Outside exploration | <u>230.35</u> |

\$ 6,960.35

Administrative expenditures

| | |
|---|------------------|
| Office rent, accounting and secretarial | \$ 250.00 |
| Legal and audit fees | 2,152.85 |
| Share issue and transfer expenses | 1,009.08 |
| Shareholders' information | 1,093.72 |
| Telephone and telegraph | 268.99 |
| Travelling | 604.50 |
| Stock exchange fees and expenses | 437.41 |
| Management salaries | 300.00 |
| Miscellaneous | <u>270.50</u> |
| | <u>6,387.05</u> |
| | <u>13,347.40</u> |

Increase in working capital

\$156,152.60

Working capital changes

| | May 31, 1966 | July 31, 1966 | Increase in Working Capital |
|-----------------------|--------------------|---------------------|-----------------------------------|
| Current assets | | | |
| Cash | \$ 260.07 | \$ 85,026.20 | \$ 84,766.13 |
| Sundry deposits | <u>2,578.85</u> | <u>2,578.85</u> | <u>-</u> |
| | <u>\$ 2,838.92</u> | <u>\$ 87,605.05</u> | <u>\$ 84,766.13</u> |
| Current liabilities | | | |
| Accounts payable | \$45,397.84 | \$ 13,511.37 | \$ 31,886.47 |
| Advance from director | <u>39,500.00</u> | <u>-</u> | <u>39,500.00</u> |
| | <u>\$84,897.84</u> | <u>\$ 13,511.37</u> | <u>\$ 71,386.47</u> |
| Working capital | (\$82,058.92) | \$ 74,093.68 | \$156,152.60 |

Approved on behalf of the
Board of Directors:



..... (Director)



..... (Director)

ENGINEER'S REPORT

NOTE: The following are excerpts from a report by J.C. Shaw, P.Eng., dated August 9th, 1966, on mining claims located in Lapotardiere Township, Gaspé Peninsula, Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

PROPERTY AND LOCATION

The property of Mount Wright Iron Mines Co. Limited is located in Lapotardiere Township in the Gaspé Peninsula adjacent to the northwest side of Gaspé Park.

The property comprises a total of thirty contiguous claims adjacent to the east boundary and three to four miles south of the northeast corner of the township.

RECOMMENDATIONS

It is recommended that a geochemical survey consisting of stream analysis of the Porc Epic Creek and its branches, which occur on the property, be undertaken. In conjunction with this survey a series of soil tests should also be taken up the hillside along with geological mapping. The results of the above geochemical work will enable the engineer to plan an Induced Polarization - (I. P.) survey. Diamond drilling will depend on the results of this preliminary exploration.

COST OF PROGRAM RECOMMENDED

The cost of the program as recommended is estimated at thirty one thousand, five hundred dollars (\$31,500.) as follows:

| | | |
|---|---|-------------|
| Line Cutting (400 foot grid) | - | \$ 2,500.00 |
| Geological mapping | - | \$ 1,500.00 |
| I. P. Survey | - | \$ 5,500.00 |
| Magnetometer Survey | - | \$ 2,500.00 |
| Consulting fees and Travelling Expenses | - | \$ 2,000.00 |
| Assays and contingencies | - | \$ 2,500.00 |
| Diamond drilling, 2,500 feet @ \$6.00 | - | \$15,000.00 |
| Total Costs | - | \$31,500.00 |

CONCLUSIONS

The Gaspé Peninsula to date has been the locale of one large and profitable copper operation. Indications are that Terra Nova are exploring another similar situation. Numerous exploration companies are at work in the area completing geophysical surveys and diamond drilling.

The property of Mount Wright Iron is located just to the northwest of the large intrusive mass of Tabletop Mountains and may be the locale of mineralized solutions that emanated from this mass. Exploration of the property is warranted and recommended.

Respectfully submitted,

J. C. Shaw, Eng.

August 9th, 1966.

CERTIFICATION

TO WHOM IT MAY CONCERN:

I, J. C. Shaw, in the City of Montreal, in the Province of Quebec, do hereby certify as follows:

1. That I am a Mining Engineer, residing in the Town of Preville, in the Province of Quebec.
2. That I am a graduate of Queen's University, Kingston, Ontario, with a Bachelor of Science degree in Mining Engineering of the Class of 1948.
3. That I have been practising my profession continually since that time. I have acted as Consulting Engineer to various companies who are interested in mining exploration and development since the year 1954.
4. That I have no direct or indirect interest whatsoever in the property referred to in the accompanying report, nor in the securities of Mount Wright Iron Mines Company Limited, nor do I expect to receive any interest either directly or indirectly, save for services rendered to the Company in my capacity as a Consultant.
5. That the accompanying report is based upon personal knowledge of the area as well as data obtained from a review of all geological reports available on the district.

(Signed) *J. C. Shaw, B.Sc. Eng.*

J. C. Shaw, B.Sc. Eng.
Mining Engineer.

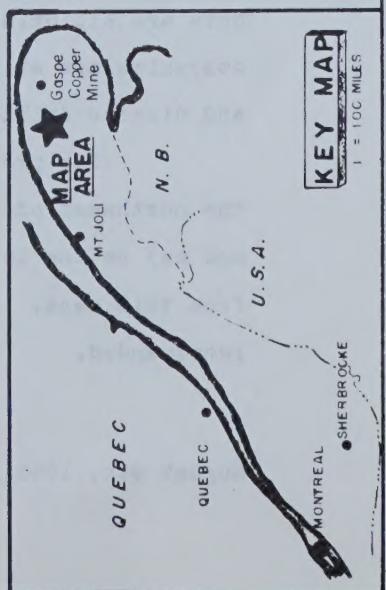
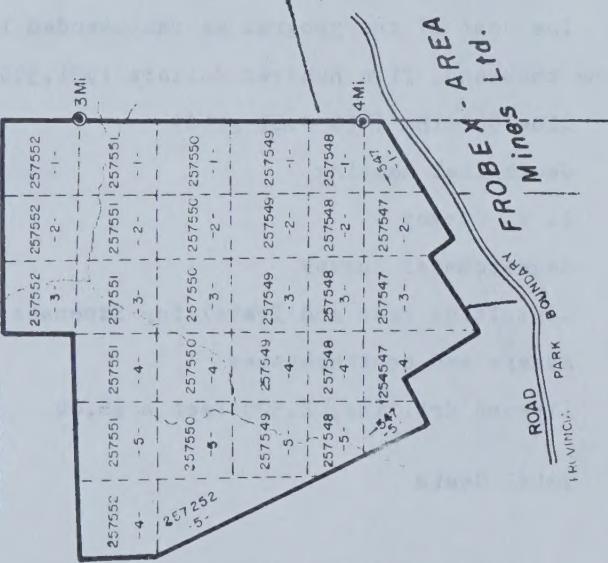
Montreal, P. Que.
August 9, 1966.

Property Location Map
MOUNT WRIGHT IRON MINES LTD.

LAPOTARDIERE TWP

AUG. 1966

Scale - 1" = 0.5 Miles



Canada
PROVINCE OF ONTARIO
COUNTY OF YORK

To Wit:

In the Matter of thirty (30) unpatented mining claims situate in Lapotadiere Township, Quebec
AND IN THE MATTER of MOUNT WRIGHT IRON MINES COMPANY LIMITED

I,

MICHAEL K. DUGGAN,

of the Province of Quebec of 3605 Andre Street, Pierrefonds in the

Do Solemnly Declare, that

1. I am a Prospector and staked, or caused to be staked, during July, 1966, the following mining claims situate in Lapotadiere Township, Province of Quebec, Licenses Nos. 257,547 to 257,552, claims 1 to 5 inclusive.
2. The approximate cost of staking the said claims, including my time, was \$2,500.00 to \$3,000.00.
3. The proposed transaction for the sale of these claims to Mount Wright Iron Mines Company Limited is a bona fide arms-length transaction and no one is to receive, or is entitled to receive, any part of the proposed consideration being paid to me in the sale of these claims.
4. I have no interest, direct or indirect, as a shareholder, officer, director or otherwise of Mount Wright Iron Mines Company Limited.
5. The consideration received by me from Mount Wright Iron Mines Company Limited for transfer of the claims is \$7,500.00 cash and 75,000 shares of Mount Wright Iron Mines Company Limited, free of escrow.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

Declared before me at the City

of Toronto

in the County
of York

this 23rd day of August,

A.D., 19 66.

Donald S. Carrick

A Commissioner, etc.

| | |
|--|--|
| 14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.) | <p>Estate of G.H. Corolis, Ste. 607, 320 Bay Street, Toronto 187,500</p> <p>Wm. Langridge Jr., 106 Richmond St. W., Toronto 75,000</p> <p>E.H. Pooler & Co. Limited, 302 Bay Street, Toronto 37,500</p> <p>The shares registered in the name of E.H. Pooler & Co. Limited are beneficially owned by the Estate of G.H. Corolis. The shares registered in the name of Wm. Langridge, Jr., are beneficially owned by him.</p> |
| 15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state. | <p>E.H. Pooler & Co. Limited, 302 Bay Street, Toronto 325,099 37,500 (escrowed)</p> <p>Estate of G.H. Corolis, Ste. 607, 320 Bay Street, 198,005 187,500 (escrowed) Toronto</p> <p>McNamara Holding Corporation Ltd., 797 Don Mills Road, 200,000 Don Mills, Ontario</p> <p>W.D. Latimer Co. Limited, 199 Bay Street, Toronto 326,400</p> <p>J.H. Crang & Co., 20 King St. W., Toronto 263,384</p> <p>All of the shares registered in the name of the Estate of G.H. Corolis are beneficially owned, except 10,555, as are the 37,500 escrowed shares in the name of E.H. Pooler & Co. Limited. The signatories understand that the shares registered in the name of McNamara Holding Corporation Ltd. are beneficially owned, but they have no knowledge of the beneficial ownership of any other shares mentioned.</p> |
| 20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public. | <p>The signatories hereto are advised that it has been agreed to extend the exercise date of the options referred to in Item 20 of Filing Statement #1458 to 6th September, 1966.</p> <p>The shares of the Company are in the course of primary distribution. The shares of the Company will not be traded in the course of primary distribution in the Province of Quebec.</p> |

DATED 16th August, 1966

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

MOUNT WRIGHT IRON MINES COMPANY LIMITED

CORPORATE

SEAL

"J. Mallin"

"O.E. Smith"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

W.D. LATIMER CO. LIMITED

"D.G. MacGregor"

Per D. MacGregor Sec.

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1458.
FILED, JUNE 23rd, 1966.

MOUNT WRIGHT IRON MINES COMPANY LIMITED

Full corporate name of Company

The Companies Act (Ontario) Letters Patent, 2nd February, 1951

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous Filing Statement No. 1102 and Amending Filing Statement No.

FILING STATEMENT

Amending Filing Statement No. 238.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

| | |
|--|---|
| 1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed. | (a) Proposed underwriting and option agreement - see Item 6; (b) Proposed allotment and issue of 100,000 shares of the capital stock of the Company in satisfaction of a liability of the Company in the amount of \$39,500.00 - see Item 20. (c) Proposed granting of options by three major shareholders to Underwriter - see Item 20. |
| 2. Head office address and any other office address. | Suite 302, 74 Victoria Street, Toronto, Ontario |
| 3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors. | President and Director - Julius Mallin, 65 Glen Road, Toronto, Ontario, Mining Executive Vice-President and Director - Robert Archibald, Ishpeming, Mich., U.S.A., President and Director, North Range Mining Company, Ishpeming, Mich., U.S.A. Secretary-Treasurer - Olga E. Smith, 5 Elm Avenue, Toronto, Ontario, Corporate Secretary Director - Joseph E. Spalding, White Oaks Road, Clarkson, Ontario, President, Spalding Printing Company Limited Director - Criton Kerassoti, 58 Avenue d'Ouchy, Lausanne, Switzerland, Lawyer. |
| | There are at present two vacancies on the Board, but it is proposed to reduce the Board of Directors from seven to five at the next annual meeting. Julius Mallin was elected President to fill the vacancy created by the death of G.H. Corolis. |
| 4. Share capitalization showing authorized and issued and outstanding capital. | Authorized : 5,000,000 Issued : 3,470,000 |
| 5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding. | None |
| 6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement. | Subject to acceptance for filing of this Filing Statement by the Toronto and Canadian Stock Exchanges and the granting of an exemption from the filing of a Prospectus by the Quebec Securities Commission, the last of which dates shall be "the effective date", W.D. Latimer Co. Limited, 199 Bay Street, Toronto, Ontario, acting as to a 50% interest therein on behalf of Richfield Securities Limited, 199 Bay Street, Toronto, Ontario, and as to a 50% interest therein on behalf of Patsul Investments Limited, 49 Wellington Street East, Toronto, Ontario, has agreed to underwrite 200,000 shares of the Company at 30¢ per share and 200,000 shares at 35¢ per share payable on the effective date and in consideration therefor will be granted an option to purchase an additional 200,000 shares at 40¢ per share payable within three months of the effective date. Options covering 100,000 shares at \$1.00 per share are outstanding in favour of each of Robert Archibald and Criton Kerassoti, two directors of the Company, exercisable by 30th June, 1970 and 30th June, 1968 respectively, as mentioned in the notes to the Financial Statements. The Company, by agreement dated 12th May, 1964, agreed to issue to each of Messrs. Kienel and De La Pena 25,000 shares if it exercised its option relating to any Permit covering the Spanish property - see Filing Statement #1102. |

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.

The only persons having a greater than 5% interest in the following companies are:

W.D.Latimer Co. Limited - William Dugald Latimer,
199 Bay Street, 29 Edgehill Road,
Toronto, Ontario Islington, Ontario

Walter Lawton Downes,
3055 Sherbrooke Street
N.,
Westmount, Quebec

Donald Gordon MacGregor
128 Glen Manor Drive,
Toronto, Ontario

W.D.L.Holdings Limited,
199 Bay Street,
Toronto, Ontario

Urban Securities
Limited,
199 Bay Street,
Toronto, Ontario

Richfield Securities Limited, 199 Bay Street - Beatrice Latimer,
Toronto, Ontario 29 Edgehill Road,
Islington, Ontario

Jane Latimer,
Apt. #717, 35 Walmer
Road, Toronto,
Ontario

Anne Wardle,
60 Mountclair Avenue,
Toronto, Ontario

Audrey MacGregor,
128 Glen Manor Drive,
Toronto, Ontario

Patsul Investments Limited - Patrick J. Sullivan,
49 Wellington St.E., 105 Treverton Drive,
Toronto, Ontario

Urban Securities Limited - William Dugald Latimer
Donald Gordon MacGregor
(addresses as above)

W.D.L. Holdings Limited - Beatrice Latimer,
Jane Latimer,
Anne Wardle
(addresses as above)

8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.

None

9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.

The Company will expend the proceeds from the sale of its securities as follows:

- (a) In discharging its liabilities with the exception of the contingent liability of approximately \$11,000.00 which John Kienel claims to be owing to him by the Company, and the liability to the Estate of G.H. Corolis of approximately \$39,500.00 (see paragraphs 18 and 20 for further particulars of these two items);
- (b) In payment of the sum of \$7,500.00, being the yearly minimum royalty owing on account of the sublease of the 55 claims owned by Bellechasse Mining Corporation Limited;
- (c) In the acquisition of additional mining claims, subject to the acceptance for filing of an Amending Filing Statement reflecting the same;
- (d) For general administrative expenses.
- (e) The Company has budgeted for the sum of \$250.00 per month to cover rent, accounting and secretarial services and the sum of \$300.00 per month for management fees to its President for the next six months.

It is not intended to expend any further moneys on development of the claims in the Mount Wright Area or on the Spanish properties of the Company at the present time. The Mount Wright claims owned by the Company will be kept in good standing.

| | |
|--|--|
| 10. Brief statement of company's chief development work during past year. | Since 1st January, 1965, exploration expenditures relating to the Mount Wright Area claims, including rental payments, engineers' and consultants' fees and Government licences, amounted to approximately \$27,000.00. During the same period the Company expended on exploration of its Spanish properties approximately \$30,600.00. |
| 11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid. | N/A |
| 12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company. | N/A |
| 13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement. | 300,000 shares are held in escrow by Guaranty Trust Co. of Canada subject to release upon consent of the Board of Directors of the Company, the Toronto Stock Exchange and the Canadian Stock Exchange. |
| 14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.) | Estate of G.H. Corolis, Ste. 607, 320 Bay Street, Toronto 225,000 Wm. Langridge Jr., 106 Richmond St. W., Toronto 75,000 |
| 15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state. | E.H. Pooler & Co. Limited, 302 Bay Street, Toronto 375,599 Estate of G.H. Corolis, Ste. 607, 320 Bay Street, 235,555 (225,000 Toronto escrowed) Roycan & Co., #1 account, Royal Bank of Canada, 206,750 Montreal, Quebec. McNamara Holding Corporation Ltd., 797 Don Mills Road, 200,000 Don Mills, Ontario Wm. Langridge, Jr., 106 Richmond St. West, 140,000 (75,000 Toronto, Ontario escrowed) The shares registered in the names of the Estate of G.H. Corolis, McNamara Holding Corporation Ltd. and William Langridge, Jr. are believed to be beneficially owned by them. The signatories hereto have no knowledge of the beneficial owners of the shares registered in the other names above. |
| 16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company. | The present Board of Directors, through solicitation of proxies, have been in a position to materially affect control of the Company and it is expected that they will continue to be in such a position. |
| 17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value. | Nealon Mines Limited, 72,000 escrowed - Ste. 302, 74 Victoria St., no market value Toronto, Ontario 18,500 shares of Jilbie Mining Company Limited - no book value and no market value. |

FINANCIAL STATEMENTS

MOUNT WRIGHT IRON MINES COMPANY LIMITED
 (Incorporated under the Laws of the Province of Ontario)

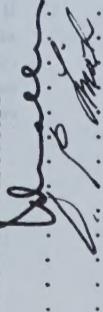
BALANCE SHEET

AS AT MAY 31, 1966
 (Prepared from the books of account without audit)

| <u>ASSETS</u> | | | <u>LIABILITIES</u> |
|--|-------------------|-----------------|---|
| <u>Current assets</u> | | | <u>Current liabilities</u> |
| Cash | \$ 260.07 | | Accounts payable |
| Sundry deposit | <u>2,578.85</u> | \$ 2,838.92 | Advance from director |
| Investments | \$ 1.00 | | Shareholders' equity |
| Shares of a mining company, at nominal value Investments in Spanish companies (Notes 1 and 4) | <u>163,567.21</u> | 163,568.21 | <u>Capital stock (Note 3)</u> |
| Fixed assets (Note 4) | | | Authorized: 5,000,000 shares, par value \$1.00 each |
| Mining claims in Mount Wright Area, Province of Quebec, at valuation attributed to 1,000,000 capital shares issued in consideration for claims | \$304,600.00 | | Issued and fully paid: \$3,470,000.00 |
| plus \$4,600.00 paid in cash | 1.00 | | <u>3,470,000 shares</u> |
| Mining lease (Note 2) | | | Less - discount thereon <u>1,952,268.45</u> |
| Outpost Island, Northwest Territories - mining claims, buildings and equipment, at nominal value | 2.00 | | Contributed surplus - arising from reduction of the company's capital stock on April 18, 1958 |
| Leasehold improvements and office furnishings, at cost | \$1,400.00 | | <u>1,367,194.64</u> |
| Less - accumulated depreciation | <u>140.00</u> | <u>1,260.00</u> | <u>\$2,884,926.19</u> |
| Deferred expenditures (Note 4) | | | Deficit Balance December 31, 1964 <u>\$2,027,077.48</u> |
| Exploration and administrative expenditures, per statement (Note 4) | \$467,901.00 | | Additions during period: Taxes on Outpost Island property Equipment written off, which was recorded at nominal value <u>61.03</u> |
| Incorporation and recapitalization expenses | <u>8,978.00</u> | 476,879.00 | <u>2.00</u> |
| | | | <u>\$2,027,140.51</u> |
| | | | Less - excess of proceeds from sale of shares of another mining company over written-down value of shares |
| | | | <u>6,465.61</u> |
| | | | <u>2,020,674.90</u> |
| | | | <u>864,251.29</u> |
| | | | <u>\$949,149.13</u> |

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the
Board of Directors:



(Director)
.....

MOUNT WRIGHT IRON MINES COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1966

Note 1 - Investment in Spanish companies

The company's investment in Spanish companies consists of:

| | |
|---|---------------------|
| 50% interest in "Compania Gallega De Minas A.S." | \$163,024.81 |
| 50% interest in "Compania Castellana De Minas S.A." | 542.40 |
| | <u>\$163,567.21</u> |

- a) Compania Gallega De Minas, S.A. was incorporated on April 7, 1964 with an authorized capital of 60,000 pesetas (\$1,084.80 Canadian). Mount Wright has the right to increase its interest in this company to a maximum of 75% if amendments to Spanish law, removing restrictions on foreign ownership, are passed.

By agreement dated May 12, 1964, Compania Gallega De Minas S.A. was granted an option for a period of three years to acquire certain mining exploration permits covering lands in Spain. Exploration work was carried out on the lands pursuant to the agreement and the optionor now claims that the Spanish subsidiary is in default under the agreement in that it has failed to pay the required taxes to keep the permits in good standing. The Spanish lawyers of the subsidiary, on behalf of the subsidiary, have denied that the agreement is breached and are instructed to defend any action brought by the optionor for a declaration that the agreement is revoked. No such action has as yet been instituted.

The exploration program is being managed and financed by Mount Wright. To May 31, 1966 Mount Wright has disbursed the following amounts in connection with the Spanish operations:

| | |
|---|--|
| 1. Payment to obtain option on mining exploration permits for Compania Gallega De Minas S.A. (Mount Wright is also required to issue 50,000 shares of its capital stock if the option is exercised in whole or in part) | \$ 23,430.91 |
| 2. Expenditures on exploration in Spain: | |
| Consultants' fees | \$24,505.00 |
| Geologist's surveying fees | 8,461.24 |
| Field project manager's salary | 27,360.00 |
| Consultants' and geologist's travelling and transportation | 8,928.37 |
| Assays | 2,398.09 |
| Field supplies and miscellaneous | <u>1,390.04</u> 73,042.74 |
| 3. Advances to Spanish company and field project manager | 62,755.53 |
| 4. Advances to Spanish solicitors for expenses and legal fees to incorporate Spanish companies | <u>3,795.63</u> <u>\$163,024.81</u> |

- b) "Compania Castellana De Minas S.A." was incorporated with an authorized capital of 60,000 pesetas (\$1,084.80 Canadian). Compania Castellana De Minas S.A. holds an option to acquire certain mining concessions and mining exploration permits on lands in Spain. Compania Castellana De Minas S.A. has not yet commenced operations.

Note 2 - Mining lease

The company obtained a sub-lease to November 18, 2034 on fifty-five mining claims in the Mount Wright Area, Province of Quebec.

Under the terms of the sub-lease agreement the company is required to make the following rental payments (deductible from royalties payable on any future production):

\$ 7,500.00 per annum for the period commencing April 1, 1965
to March 31, 1974
50,000.00 per annum for the period commencing April 1, 1974
for the duration of the lease.

Royalties payable on any future production are as follows:

50¢ per ton of iron concentrates (or less depending upon percentage of recovery, to a minimum of 35¢ per ton)
An overriding royalty of 20¢ per ton of concentrates (to be increased or decreased according to a formula based on the "consumers price index").

The company may terminate the sub-lease upon giving written notice.

For accounting purposes this lease has been recorded at a nominal value of \$1.00.

Note 3 - Capital stock

- a) The company granted to a director in consideration of his negotiating the sub-lease agreement referred to in Note 2 above, an option to purchase all or any part of 100,000 shares of capital stock at \$1.00 per share within five years from June 30, 1965.
- b) The company granted a director an option to purchase all or any part of 100,000 shares of capital stock at \$1.00 per share within three years from June 30, 1965. This option was granted in consideration of the director's services in establishing a sales representative for the company in the United Kingdom.

The company also agreed to pay this director a commission of 1¢ per ton on all iron pellets or concentrates sold in the United Kingdom resulting from his efforts and/or that of the United Kingdom sales representative.

Note 4 - The amounts shown for investments in Spanish companies, fixed assets and deferred expenditures represent costs to date less amounts written off and are not intended to reflect present or future values.

MOUNT WRIGHT IRON MINES COMPANY LIMITED

DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

FOR THE PERIOD JANUARY 1, 1965 TO MAY 31, 1966
 (Prepared from the books of account without audit)

| | Year Ended December 31, 1965 | Five Months Ended May 31, 1966 | January 1, 1965 to May 31, 1966 |
|--|------------------------------------|--------------------------------------|---------------------------------------|
| <u>Exploration expenditures - Mount Wright Area, Quebec</u> | | | |
| Engineers' and consultants' fees and expenses | \$12,267.90 | \$ - | \$ - |
| Rental payment on mining lease | 7,500.00 | 1,250.00 | 1,250.00 |
| Government licenses and fees | 2,075.55 | 2,556.04 | 2,556.04 |
| Metallurgical research | 1,193.49 | - | - |
| Maps, prints and miscellaneous | 610.75 | - | - |
| | <u>\$23,647.69</u> | <u>\$ 3,806.04</u> | <u>\$ 27,453.73</u> |
| <u>Administrative expenditures</u> | | | |
| <u>Head office and corporate</u> | | | |
| Office rent, accounting and secretarial | \$ 4,113.91 | \$ - | \$ - |
| Management salary | 3,500.00 | - | - |
| Legal and audit fees | 6,237.49 | 300.00 | 300.00 |
| Share issue and transfer expenses | 2,643.78 | 1,315.03 | 1,315.03 |
| Annual meeting expenses | 2,161.18 | - | - |
| Shareholders' information, publicity and entertainment expenses | 3,446.24 | - | - |
| Telephone and telegraph | 3,100.90 | 267.78 | 267.78 |
| Government fees and taxes | 219.00 | 140.83 | 140.83 |
| Stock exchange fees and expenses | 476.57 | 200.00 | 200.00 |
| Depreciation of office furnishings and leasehold improvements | 1,817.40 | - | - |
| Miscellaneous expenses | 2,421.74 | 64.46 | 64.46 |
| | <u>\$30,138.21</u> | <u>\$ 2,288.10</u> | <u>\$ 2,288.10</u> |
| <u>Other administrative expenses</u> | | | |
| Travelling expenses mainly in connection with negotiations for sale of iron ore in the United Kingdom and Europe | \$13,212.16 | \$ 272.53 | \$ 272.53 |
| Officer's travelling expenses in connection with Spanish companies | 1,295.03 | - | - |
| Sales agent's fees | 7,546.88 | - | - |
| | <u>\$22,054.07</u> | <u>\$ 272.53</u> | <u>\$ 272.53</u> |
| Less - interest earned | 99.40 | - | - |
| | <u>\$52,092.88</u> | <u>\$ 2,560.63</u> | <u>\$ 2,560.63</u> |
| | <u>54,653.51</u> | <u>54,653.51</u> | <u>54,653.51</u> |
| <u>Expenditures for the period</u> | | | |
| | <u>\$75,740.57</u> | <u>\$ 6,366.67</u> | <u>\$ 82,107.24</u> |
| <u>Balance deferred at December 31, 1964</u> | | | |
| | | | <u>385,793.76</u> |
| <u>Balance deferred at May 31, 1966</u> | | | |
| | | | <u>\$467,901.00</u> |

SUMMARY OF EXPENDITURES DEFERRED

| | |
|---|-------------------|
| Exploration expenditures, Mount Wright Area, Quebec | \$219,074.50 |
| Administrative and corporate expenses | <u>248,826.50</u> |

MOUNT WRIGHT IRON MINES COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD JANUARY 1, 1965 TO MAY 31, 1966
 (Prepared from the books of account without audit)

Source of funds

| | |
|--|-------------|
| Proceeds from the sale of shares of another mining company | \$ 9,165.61 |
|--|-------------|

Application of funds

| | |
|--|--------------------|
| Exploration expenditures, Mount Wright Area, Quebec, per statement | \$27,453.73 |
| Administrative expenditures, per statement | \$54,653.51 |
| Less - leasehold improvements written off, which do not affect funds | 1,817.40 |
| Leasehold improvement expenditures | 52,836.11 |
| Tax on Outpost Island property | 112.85 |
| Investment in Spanish company: | 62.03 |
| Expenditures on exploration in Spain paid directly by Mount Wright: | |
| Consultant's fees | \$ 7,712.50 |
| Geologist's fees | 3,294.24 |
| Field project manager's salary | 17,640.00 |
| Consultant's and geologist's travelling expenses | 473.09 |
| Assays | 1,433.85 |
| Miscellaneous | 102.00 |
| | <u>\$30,655.68</u> |
| Advances to and expended by Spanish company | <u>16,244.93</u> |
| | <u>46,900.61</u> |
| | <u>127,365.33</u> |

Decrease in working capital

(\$118,199.72)

| | December 31, 1964 | May 31, 1965 | Decrease in Working Capital |
|-------------------------------------|----------------------|----------------------|-----------------------------------|
| <u>Working capital changes</u> | | | |
| Current assets | \$39,790.14 | \$ 2,838.92 | \$ 36,951.22 |
| Current liabilities | 3,649.34 | 84,897.84 | 81,248.50 |
| <u>Working capital (deficiency)</u> | | | |
| | <u>\$36,140.80</u> | <u>(\$82,058.92)</u> | <u>(\$118,199.72)</u> |

Approved on behalf of the Board of Directors:

..... *D. A. Green* (Director)

..... *J. C. Thirkell* (Director)

| | |
|---|---|
| 18. Brief statement of any lawsuits pending or in process against company or its properties. | <p>John Kienel, a party to one of the agreements dated 12th May, 1964, referred to in paragraph 11 of Filing Statement #1102, has advised the Company directly and through his solicitors of London, England, that the Company and its Spanish subsidiary, Compania Gallega De Minas, S.A., is in breach of the said agreements in that they have failed to pay the necessary taxes and keep in good standing the properties covered by the agreements and that the agreements are therefore revoked. Mr. Kienel is also claiming approximately \$11,000.00 from the Company which he alleges is due him for wages, consulting fees and disbursements. The Company has denied liability to Mr. Kienel and has made several offers by way of a compromise settlement which have been refused by him. Mr. Kienel has threatened legal action against the Company for a declaration that the agreements are revoked and also for payment of the moneys he alleges are owing, but such action has not been commenced. Upon receipt of the underwriting moneys referred to in paragraph 6 hereof the Company feels it will be in a position to effect a satisfactory settlement.</p> |
| 19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing. | <p>The agreement dated 12th May, 1964, relating to the Spanish properties referred to in Filing Statement #1102 is the subject of a dispute between the Company and the Optionors as mentioned in Item 18 above. The Optionors have threatened to take legal action for a Declaration that the agreement is no longer in good standing. Negotiations for settlement are being conducted by the Spanish lawyers of the parties. No further work is contemplated on these properties by the Company.</p> |
| 20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public. | <p>The sum of \$39,500.00 was loaned to the Company by the late G.H. Corolis during October and November of 1965 when he was President of the Company. This sum is secured by demand non-interest bearing promissory notes. Subject to acceptance for filing of this Filing Statement by the Toronto and Canadian Stock Exchanges the Company has agreed to allot and issue 100,000 fully paid and non-assessable shares of its capital stock to the Executors of the Estate of G.H. Corolis in full satisfaction of this liability and the said Executors have agreed to accept the same.</p> |
| | <p>The Executors of the said Estate have agreed to grant to W.D. Latimer Co. Limited, acting as aforesaid (see paragraph 6), an option to purchase all or any part of the 100,000 shares at 40¢ per share exercisable within thirty days of the effective date.</p> <p>The signatories hereto are further advised that, subject to the acceptance for filing of this Filing Statement, McNamara Holding Corporation Limited, 797 Don Mills Road, Don Mills, Ontario, and William Langridge, Jr., 106 Richmond Street West, Toronto, Ontario, have also agreed to grant to W.D. Latimer Co. Limited, acting as aforesaid, options to purchase 200,000 shares of the Company and 31,000 shares of the Company respectively at 50¢ per share exercisable in whole or in part within thirty days of the effective date.</p> |
| | <p>W.D. Latimer Co. Limited has advised that it is not its intention to vote the shares purchased pursuant to the above option agreement and the agreement mentioned in paragraph 6 hereof in order to replace the present directors, or any of them.</p> |
| | <p>The shares of the Company are in the course of primary distribution. The shares of the Company will not be offered to residents of the Province of Quebec.</p> |

CERTIFICATE OF THE COMPANY DATED 21st June, 1966

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

MOUNT WRIGHT IRON MINES COMPANY LIMITED

CORPORATE

SEAL

"J. Mallin"

"U.E. Smith"
CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

W.D. LATIMER CO. LIMITED

W.D.

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